

2012 Jefferson County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Jefferson County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Jefferson County the average tax bill for all taxpayers decreased by 4.6%. This tax bill fall was mainly the result of the 5.7% decrease in the tax levy of all local government units. Jefferson County net assessed value increased by 3.1%, due to a big increase in farmland assessments and smaller increases in homestead, other residential, and business assessments. Falling levies and rising assessed values caused tax rates to fall in all Jefferson County tax districts, which decreased tax cap credits. Credits as a percent of the levy fell by 1.3% in Jefferson County in 2012.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	-4.6%	\$24,926,208	\$1,215,869,583	3.2%
Change		-5.7%	3.1%	-1.3%
2011	5.2%	\$26,446,033	\$1,179,024,710	4.6%

Homestead Property Taxes

Homestead property taxes decreased 5.2% on average in Jefferson County in 2012. Tax rates in all Jefferson County tax districts decreased. The county average tax rate fell by 8.6%. The percentage of Jefferson County homesteads at their tax caps fell from 14.8% in 2011 to 11.0% in 2012. This reduced the effect of the tax rate reduction on homestead tax bills. Jefferson County had no local homestead credits in 2012.

Net Tax Bill Changes - All Property Types

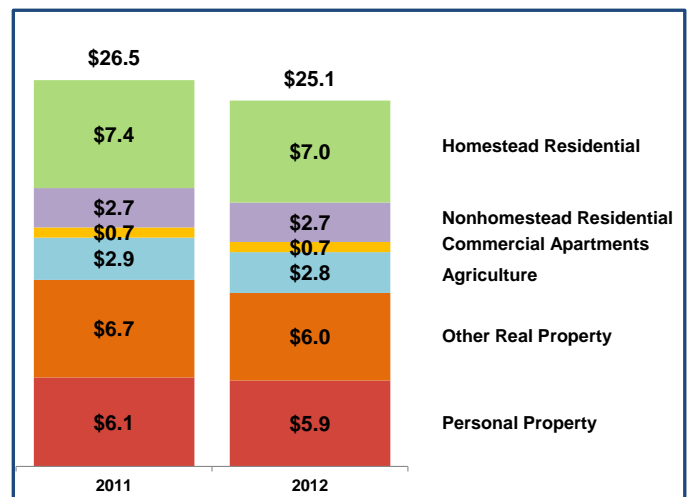
Most of Jefferson County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal) and by homeowners. Net tax bills for all taxpayers decreased 4.6% in Jefferson County in 2012. Net taxes were slightly higher for nonhomestead residential property (mostly small rentals and second homes) but lower for all other property types.

Comparable Homestead Property Tax Changes in Jefferson County

	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	1,805	20.1%
No Change	617	6.9%
Lower Tax Bill	6,558	73.0%
Average Change in Tax Bill	-5.2%	
Detailed Change in Tax Bill		
20% or More	356	4.0%
10% to 19%	239	2.7%
1% to 9%	1,210	13.5%
0%	617	6.9%
-1% to -9%	3,892	43.3%
-10% to -19%	2,200	24.5%
-20% or More	466	5.2%
Total	8,980	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates decreased in all Jefferson County tax districts. The average tax rate fell by 8.6%, because the levy decreased and net assessed value increased.

Levies in Jefferson County decreased by 5.7%. The Madison Consolidated School Corporation had large decreases in its capital projects and debt service funds. Southwestern Jefferson Consolidated Schools saw a decrease in its bus replacement fund. The largest levy increase was in the county unit, primarily due to growth in the general fund and health fund.

Jefferson County's total net assessed value increased 3.1% in 2012. Agricultural net assessments rose 10.9%. Other assessed values rose by smaller amounts. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments rose by 2.0%.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$1,003,808,197	\$1,013,259,400	0.9%	\$375,310,917	\$385,707,463	2.8%
Other Residential	164,647,700	167,219,400	1.6%	163,519,526	165,911,104	1.5%
Ag Business/Land	158,460,100	176,719,400	11.5%	157,899,196	175,173,799	10.9%
Business Real/Personal	675,152,193	661,385,063	-2.0%	527,998,435	536,027,782	1.5%
Total	\$2,002,068,190	\$2,018,583,263	0.8%	\$1,224,728,074	\$1,262,820,148	3.1%

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Jefferson County were \$841,753, or 3.2% of the levy. This was less than the state average percentage of the levy of 9.2%, but on par with the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Jefferson County's tax rates were near the state median. More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category.

The largest percentage losses were in the city of Madison and the Madison Consolidated School Corporation, where district tax rates were well above \$2 per \$100 assessed value. The largest dollar losses were also in the city of Madison and the Madison Consolidated School Corporation, and in the county unit.

Tax Cap Credits by Category

Tax cap credits decreased in Jefferson County in 2012 by \$416,158, or 33.1%. The percentage of the levy lost to credits fell by 1.3%. There were no major changes in state policy to affect tax cap credits in 2012. Jefferson County credits decreased because tax rates decreased in all tax districts.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$564,643	\$352,302	-\$212,341	-37.6%
2%	652,953	463,621	-189,332	-29.0%
3%	0	0	0	0.0%
Elderly	40,315	25,830	-14,484	-35.9%
Total	\$1,257,911	\$841,753	-\$416,158	-33.1%
% of Levy	4.6%	3.2%		-1.3%

Jefferson County Levy Comparison by Taxing Unit

Taxing Unit	2008	2009	2010	2011	2012	% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
County Total	36,952,691	24,413,782	25,368,825	26,446,033	24,926,208	-33.9%	3.9%	4.2%	-5.7%
State Unit	32,108	0	0	0	0	-100.0%			
Jefferson County	9,347,320	6,425,847	6,781,465	6,945,634	7,405,861	-31.3%	5.5%	2.4%	6.6%
Graham Township	18,579	24,313	25,242	25,903	26,676	30.9%	3.8%	2.6%	3.0%
Hanover Township	59,920	62,616	65,066	66,706	68,868	4.5%	3.9%	2.5%	3.2%
Lancaster Township	27,032	28,274	29,354	30,093	31,067	4.6%	3.8%	2.5%	3.2%
Madison Township	237,472	247,383	256,918	263,080	271,388	4.2%	3.9%	2.4%	3.2%
Milton Township	15,570	16,204	16,782	16,713	16,693	4.1%	3.6%	-0.4%	-0.1%
Monroe Township	14,986	13,173	15,028	15,408	15,892	-12.1%	14.1%	2.5%	3.1%
Republican Township	36,170	34,928	36,163	36,897	37,395	-3.4%	3.5%	2.0%	1.3%
Saluda Township	36,008	36,797	38,482	39,458	40,791	2.2%	4.6%	2.5%	3.4%
Shelby Township	23,323	24,269	25,145	25,809	26,638	4.1%	3.6%	2.6%	3.2%
Smyrna Township	30,598	30,263	31,213	31,959	30,104	-1.1%	3.1%	2.4%	-5.8%
Madison Civil City	5,330,732	5,176,552	5,428,817	5,558,798	5,518,920	-2.9%	4.9%	2.4%	-0.7%
Brooksbury Civil Town	2,226	2,315	2,403	2,468	2,545	4.0%	3.8%	2.7%	3.1%
Dupont Civil Town	0	0	9,883	10,221	10,508			3.4%	2.8%
Hanover Civil Town	178,697	189,440	196,076	201,033	207,527	6.0%	3.5%	2.5%	3.2%
Madison Consolidated School Corp	16,014,612	8,296,134	8,560,477	9,106,913	7,498,900	-48.2%	3.2%	6.4%	-17.7%
Southwestern Jefferson Cons School Corp	4,373,020	2,698,034	2,701,292	2,902,885	2,512,724	-38.3%	0.1%	7.5%	-13.4%
Jefferson County Public Library	923,093	958,777	994,868	1,021,035	1,054,159	3.9%	3.8%	2.6%	3.2%
Southeastern Indiana Solid Waste Mgmt	143,146	148,463	154,151	145,020	149,552	3.7%	3.8%	-5.9%	3.1%
Madison City Redevelopment Commission	108,079	0	0	0	0	-100.0%			

Jefferson County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
39001	Graham Township	1.5421	--	--	--	--	--	--	1.5421
39002	Hanover Township	1.7578	--	--	--	--	--	--	1.7578
39003	Hanover Town	2.0405	--	--	--	--	--	--	2.0405
39004	Lancaster Township	1.5626	--	--	--	--	--	--	1.5626
39005	Dupont Town	1.7264	--	--	--	--	--	--	1.7264
39006	Madison Township	1.5572	--	--	--	--	--	--	1.5572
39007	Madison City	2.4728	--	--	--	--	--	--	2.4728
39008	Milton Township	1.5529	--	--	--	--	--	--	1.5529
39009	Brooksbury Town	1.8210	--	--	--	--	--	--	1.8210
39010	Monroe Township	1.6016	--	--	--	--	--	--	1.6016
39011	Republican Township	1.7719	--	--	--	--	--	--	1.7719
39012	Saluda Township	1.7763	--	--	--	--	--	--	1.7763
39013	Shelby Township	1.5634	--	--	--	--	--	--	1.5634
39014	Smyrna Township	1.7922	--	--	--	--	--	--	1.7922

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Jefferson County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	352,302	457,942	0	25,830	836,075	24,926,208	3.4%
<i>TIF Total</i>	0	5,679	0	0	5,679	1,077,528	0.5%
<i>County Total</i>	352,302	463,621	0	25,830	841,753	26,003,736	3.2%
Jefferson County	88,026	113,268	0	7,686	208,980	7,405,861	2.8%
Graham Township	0	0	0	3	3	26,676	0.0%
Hanover Township	222	157	0	75	454	68,868	0.7%
Lancaster Township	0	0	0	0	0	31,067	0.0%
Madison Township	3,056	3,958	0	316	7,330	271,388	2.7%
Milton Township	23	0	0	15	38	16,693	0.2%
Monroe Township	0	0	0	77	77	15,892	0.5%
Republican Township	0	0	0	6	6	37,395	0.0%
Saluda Township	82	0	0	2	84	40,791	0.2%
Shelby Township	31	0	0	99	129	26,638	0.5%
Smyrna Township	0	0	0	0	0	30,104	0.0%
Madison Civil City	131,133	174,635	0	6,048	311,816	5,518,920	5.6%
Brooksburg Civil Town	0	0	0	11	11	2,545	0.4%
Dupont Civil Town	0	0	0	0	0	10,508	0.0%
Hanover Civil Town	1,297	1,380	0	110	2,787	207,527	1.3%
Madison Consolidated School Corp	108,060	141,825	0	8,785	258,670	7,498,900	3.4%
Southwestern Jefferson Cons Sch Corp	6,065	4,310	0	1,348	11,723	2,512,724	0.5%
Jefferson County Public Library	12,530	16,123	0	1,094	29,746	1,054,159	2.8%
Southeastern Indiana Solid Waste Mgmt	1,778	2,287	0	155	4,220	149,552	2.8%
Madison City Redevelopment Comm	0	0	0	0	0	0	
TIF - Madison City	0	5,679	0	0	5,679	1,077,528	0.5%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.